

Regulations Identified for Improvement Pursuant to Executive Order 2023-03, Section 1

In accordance with Section 1 of Governor Joe Lombardo's Executive Order 2023-03 to identify regulations for improvement, to amend the following Nevada Gaming Commission Regulations; to make various non-substantive edits to conform with current regulation formatting standards; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

PROPOSED AMENDMENT OF NEVADA GAMING COMMISSION (NGC) REGULATION 5.110(2)

PURPOSE STATEMENT:

To amend NGC Regulation 5.110(2) to increase the threshold amount from \$1,200 to \$5,000 at which licensees are exempt from recording a progressive log on a recurring basis; to remove "nonrestricted" so that all licensees can record the progressive amount at least every 7 days, so long as they have a Gaming Control Board (GCB) approved on-line slot metering system.

Clear Explanation of Why Amendment Should Occur:

This amendment will eliminate confusion since it will expand eligibility to restricted licensees to record the progressive amount every 7 days if they meet the requirements. Increasing the exemption threshold will reduce regulatory requirements on smaller licensees by allowing them to submit progressive logs once a week instead of daily.

RECOMMENDED CHANGES:

Matter in *blue italics* is new language and matter in [red and bracketed] is material to be omitted.

OPERATION OF GAMING ESTABLISHMENTS

5.110 In-house progressive payoff schedules.

2. The amount of a progressive payoff schedule shall be conspicuously displayed at or near the games or machines to which the payoff schedule applies. Each licensee shall record the following information in a progressive log:

- (a) The base amount of each progressive payoff schedule when first exposed for play;
- (b) Except as otherwise specified in this section, at least once a day, the amount of each progressive payoff schedule at the licensee's establishment.
- (c) Progressive payoff schedules which are less than [red and bracketed] \$1,200 [red and bracketed] \$5,000 and offered in conjunction with a slot machine are not required to be recorded in a progressive log on a recurring basis.

- (d) For progressive payoff schedules of **[\$1,200] \$5,000** or more that are offered in conjunction with a slot machine, **[nonrestricted]** licensees shall log the amount of each progressive payoff schedule not less often than once every 7 days if the progressive payoff schedule is linked to a slot machine or slot machines that are connected to a Board approved on-line slot metering system and the metering system records information that can be used to reasonably calculate the progressive payoff; and
- (e) For progressive payoff schedules required to be logged by this section, explanations for reading decreases attributable to a payoff, the date of payoff, the payoff amount, and the payoff form number.
- For progressives offered in conjunction with an inter-casino linked system, licensees shall follow the requirements set forth in section 5.112.

Estimated Economic Impact on Licensees, Persons, or the GCB

Adverse or Beneficial:

The proposed changes will benefit licensees by eliminating the need for smaller licensees with progressive payoff schedules which are less than \$5,000 from having to submit progressive logs on a recurring basis. It also allows restricted licensees to record the progressive amount once a week instead of daily, if they meet the requirements.

Positive or Negative Economic Impact:

The proposed changes have the potential to positively impact licensees by reducing regulatory requirements.

Cost Savings to the GCB:

The proposed changes may lead to slight cost savings by reducing the number of logs reviewed by the GCB and allowing the reallocation of staff to work on other tax and licensing duties.

PROPOSED AMENDMENT OF NEVADA GAMING COMMISSION (NGC) REGULATION 5.230

PURPOSE STATEMENT:

To amend NGC Regulation 5.230 to align the registration application process for Hosting Centers with other registered account types as mandated in NGC Regulation 4.200; to make conforming changes to NGC Regulation 4.200(1) to include hosting centers currently required to register under NGC Regulation 5.230.

Clear Explanation of Why Amendment Should Occur:

The proposed amendment will provide a clear description of the requirements for registrations of hosting centers. The amendment will also allow the initial registrations of hosting center companies and locations to

meet the requirements of NGC Regulation 4.200. The proposed amendments and conforming changes will allow for additional hosting center location registrations of registered hosting centers without incurring the typical nonrestricted full-investigation fees. As a result, the Gaming Control Board (GCB) will be able to process the applications and assign investigations more quickly and efficiently.

The changes will allow the investigations and subsequent registrations to be handled by the Investigations Registration Unit of the Investigations Division rather than being assigned as nonrestricted investigations where agents are working on equity applications, which can affect the length of the investigations and granting of the registrations. Additionally, it will remove the annual reporting requirements and instead require dynamic reporting of changes as they occur—as set forth in NGC Regulation 4.200(4), which requires reporting changes within ten (10) days. The recommended changes below are in draft format and will be amended after industry input.

RECOMMENDED CHANGES:

Matter in *blue italics* is new language and matter in [red and bracketed] is material to be omitted.

OPERATION OF GAMING ESTABLISHMENTS

5.230 Hosting center; registration required.

1. Before associated equipment, cashless wagering systems, games, gaming devices, race book operations, or sports pool operations, in whole or in part, can be housed at a hosting center, the hosting center, *including any person having significant control over the operation of the hosting center, as determined by the Chair, that may include without limitation, controlling chairholders, officers, directors, or other principals, must register with the Board and shall be subject to the provisions of this section and Regulation 4.200.* [along with all owners and operators of the hosting center, and persons having significant involvement with the hosting center as determined by the Commission, including but not limited to key employees, must register with the Board pursuant to this regulation. Such registration does not become effective until the registration is approved by the Board Chair or the Chair's designee in writing. A person or entity whose request for registration is not approved by the Board Chair or the Chair's designee may appeal the decision using the administrative appeal process found in sections 4.185 through 4.195 of these regulations.]
2. A hosting center registered pursuant to this section shall not have access to the software, applications, or data contained or transacted on any associated equipment, cashless wagering system, game, gaming device, race book operation, or sports pool operation of the gaming licensee housed at the hosting center's facility.
3. *Any applications for registration required under this section shall be prepared and submitted by the relevant hosting center.*

[3.] 4. A hosting center registered pursuant to this section shall comply with all applicable standards of the International Organization for Standardization, including, without limit, ISO/IEC 27001, 27002, and 27017, or the equivalent.

[4. Registration required by subsection 1, shall be made, processed, and determined using such forms as the Chair may require or approve and must be accompanied and supplemented by such documents and information as may be specified or required. The information requested shall include, but not be limited to, the following:

(a) For the registration of natural persons:

- (1) Full name, including aliases, past and present;
- (2) Residential address or addresses for the last five years;
- (3) Contact information, including phone numbers and email addresses;
- (4) Employment history, both current and for the past ten years;
- (5) Date and place of birth;
- (6) Social Security Number;
- (7) Full legal name of the hosting center to which the person's registration relates;
- (8) Description of the person's relationship with the relevant hosting center, and the person's duties or responsibilities under that relationship;
- (9) List and description of any professional licenses that the person has held, past and present, and any past or current disciplinary action against those licenses;
- (10) List and description of any arrests or convictions of the person by law enforcement involving a felony or crime of moral turpitude;
- (11) List and description of any incidents in which the person has, either individually or part of a group, been refused a gaming license or otherwise been found unsuitable by a regulatory body;

(b) For the registration of business organizations or associations:

- (1) Legal name, address, and contact information of every business organization or association under which the entity does business;
- (2) Date and jurisdiction under which each business organization or association provided in subparagraph (1) is registered as a legal entity;
- (3) Tax identification number of each business organization or association provided in subparagraph (1);
- (4) List of all affiliates of the business organization or association as defined in NRS 463.0133;

- (5) Organization chart depicting the business organization's or association's management structure;
- (6) Organization chart depicting the business organization's or association's ownership structure, including, but not limited to any parent and affiliated entities;
- (7) List of the names of all officers, directors, managers, and key employees of the business organization or association;
- (8) Where the business organization or association is not the hosting center itself, a description of the business organization's or association's relationship to the relevant hosting center, and of what duties or responsibilities it will have under that relationship;
- (9) List and description of any professional licenses that the business organization or association has held, past and present, and any past or current disciplinary action against those licenses;
- (10) List and description of any criminal charges brought against the business organization or association involving a felony or crime of moral turpitude; and
- (11) List and description of any incidents where the business organization or association has, either individually or as part of a group, been refused a gaming license or otherwise been found unsuitable by a regulatory body;]

[(c)] 5. For each hosting center provide a description of the facility and services available *to include a description of the location, available security measures, and disaster recovery capabilities*. [The following descriptions must be provided:

- (1) Location description including:
 - (I) Floor plan;
 - (II) Reliability of power and telecommunications;
 - (III) Bandwidth availability;
 - (IV) Compliance of server room to international standards;
 - (V) Redundancy of power and telecommunications feeds;
 - (VI) Offline power capabilities (e.g., UPS and generator power);
 - (VII) Refueling requirements of generators and fuel acquisition arrangements;
 - (VIII) Fire suppression system(s);
 - (IX) Temperature and humidity control system(s);
 - (X) Procedures for switching to offline power; and
- (2) Security description including:
 - (I) Perimeter boundary fences;

- (II) Use of security guards (employees or contracted);
- (III) Access controls;
- (IV) Alarm systems;
- (V) Video surveillance coverage and storage;
- (VI) Monitoring of personnel access to sensitive areas;
- (VII) Anti-surveillance measures;
- (VIII) Tenants; and
- (IX) Contractors in use for services such as cleaning and maintenance.

(3) Disaster recovery capabilities, testing, and auditing.

(4) Internal Control Procedures including:

- (I) Visitor access procedures and controls;
- (II) Maintenance and audit of access logs;
- (III) Alarm procedures for technical and security response;
- (IV) Due diligence performed on contractors, tenants, and staff;
- (V) Emergency access procedures; and
- (VI) Any other relevant procedures.

5. Any request for registration pursuant to subsection 1 shall contain a statement subscribed by the applicant for registration that:

- (a) The information being provided to the Board is accurate and complete;
- (b) That the applicant for registration agrees to cooperate with requests, inquiries, or investigations of the Board and Commission;
- (c) The applicant for registration acknowledges that the Commission may demand the person or entity to submit an application for finding of suitability, and that a failure to submit such an application within 30 days of the demand may constitute grounds for a finding of unsuitability by the Commission; and]

[(d)] (a) That the hosting center is in compliance with, and will continue to remain in compliance with, all applicable standards of the International Organization for Standardization, including, without limit, ISO/IEC 27001, 27002, and 27017, or the equivalent.

[6. Any applications for registration required under this section shall be prepared and submitted by the relevant hosting center.

7. By the 15th day of each January, each registered hosting center shall inform the Board in writing of any changes in the information provided in its application for registration, and the applications for registration

of any owner, operator, or person having significant involvement with the hosting center, or provide the Board with an affirmative statement indicating that there have been no changes to that information. If such information or statement is not provided to the Board within ninety days of January 15th of each year, the hosting center's registration, and the registrations of each owner, operator, and person having significant involvement with the hosting center will lapse. If any registrations lapse pursuant to this subsection, the applicable registrants must reapply for registration with the Board in order to reinstate the person's or entity's registered status.]

[8.]6. The Board Chair, or the Chair's designee, in his or her sole and absolute discretion may, upon receipt of a written request:

- (a) Waive the registration requirements of paragraphs (a) and (b) of subsection 3 for an individual or entity that currently holds a nonrestricted gaming license, or an affiliate thereof that has been registered or found suitable by the Commission; or
- (b) Waive the registration requirements of paragraph (c) of subsection 3 if the hosting center can demonstrate, to the Chair's or the Chair's designee's satisfaction, that the disclosure to the Board of certain information required under that subsection would hinder operations or pose a hardship due to contractual obligations.

4.200 Registrations - Independent Agents, Independent Hosts, Manufacturers and Distributors of Associated Equipment, and Service Providers

1. All persons required to register with the Board pursuant to Regulations [5.230](#), 5.240, 5.345, 14.020, and 25.020, shall register in accordance with the provisions of this section. The provisions of this section shall apply to all such registrations to the extent not inconsistent with the provisions of Regulations [5.230](#), 5.240, 5.345, 14.020, and 25.020, as applicable.

Estimated Economic Impact on Licensees, Persons, or the GCB

Adverse or Beneficial:

The proposed amendments will benefit the GCB and registrants of hosting centers. The GCB will be able to process hosting center applications more efficiently by allowing the Investigations Registration Unit to handle hosting centers' investigations rather than being assigned as nonrestricted investigations. It will free up applicant services and nonrestricted agents to focus on nonrestricted applications. Removing the annual reporting requirement will reduce the burden on the GCB to monitor compliance. Registrants will benefit from a streamlined process to register and renew hosting center companies and add additional hosting center locations through a simplified approval process and reduced fees.

Positive or Negative Economic Impact:

The GCB estimates a positive economic impact by allowing hourly billing investigations agents to handle more equity billing investigations rather than flat fee-based investigations. The proposed new fee structure would allow the GCB to recover the costs associated with registering and monitoring hosting center companies and their locations while being more cost-effective for registrants.

Cost Savings to the GCB:

The proposed changes may lead to cost savings by streamlining the registration process and allowing the GCB to reallocate staff to work on other investigative duties.

**PROPOSED AMENDMENT OF NEVADA GAMING COMMISSION (NGC) REGULATION
6.080(6)**

PURPOSE STATEMENT:

To amend NGC Regulation 6.080(6) to allow licensees to submit financial statements for a stub period, a period between the date of licensure and the end of the business year, in conjunction with the financial statements for the first full business year; to lessen the approval requirements for which licensees must submit audited or reviewed financial statements in the event of a license or operator approval termination.

Clear Explanation of Why Amendment Should Occur:

When a new license is granted 120 days before a business year-end, licensees are required to submit audited or reviewed financial statements covering the stub period between the date of licensure and the end of the business year. However, licensees may request a waiver to allow for the submission of these financial statements with the financial statements for their first full business year. This amendment will allow licensees to submit the stub period financial statements in conjunction with their first full business year financial statements without needing a waiver. Currently, licensees are required to submit audited or reviewed financial statements covering the period since the previous financial statement upon the termination of a license or operator approval within 120 days after the event. The improvement will only require licensees to submit audited or reviewed financial statements if requested by the Chair of the Gaming Control Board (GCB).

RECOMMENDED CHANGES:

Matter in *blue italics* is new language and matter in [red and bracketed] is material to be omitted.

ACCOUNTING REGULATIONS

6.080 Audited financial statements.

6. Each licensee and operator shall submit to the Board one copy of its audited or reviewed financial statements not later than 120 days after the last day of the licensee's or operator's business year. [Unless the Chair approves otherwise in writing, in the event of a license or operator approval termination, change in

business entity, or a change in the percentage of ownership of more than 20 percent, the licensee, former licensee, or operator shall, not later than 120 days after the event, submit to the Board one copy of audited or reviewed financial statements covering the period since the period covered by the previous financial statement. If a license or approval termination, change in business entity, or a change in the percentage of ownership of more than 20 percent occurs within 120 days after the end of a business year for which a financial statement has not been submitted, the licensee or operator may submit financial statements covering both the business year and the final period of business.]

In the event of a change in business entity or a change in the percentage of ownership of more than 20 percent, the licensee, former licensee, or operator shall, not later than 120 days after the event, submit to the Board one copy of audited or reviewed financial statements covering the period since the period covered by the previous financial statement. If a there is a change in a business entity or a change in the percentage of ownership of more than 20 percent occurs within 120 days after the end of a business year for which a financial statement has not been submitted, the licensee or operator may submit financial statements covering both the business year and the final period of business.

7. In the event of a license or operator approval termination, the Chair may require the licensee, former licensee, or operator to submit to the Board one copy of audited or reviewed financial statements covering the period since the period covered by the previous financial statement.

[7.] 8. If a licensee or operator changes its business year, the licensee or operator, as applicable, shall prepare and submit to the Board audited or reviewed financial statements covering the “stub” period from the end of the previous business year to the beginning of the new business year not later than 120 days after the end of the stub period or incorporate the financial results of the stub period in the financial statements for the new business year.

[8.] 9. Reports that communicate the results of the audit or review, including management advisory letters or activities not related to the gaming operation, must be submitted within 120 days after the end of the licensee’s business year.

[9.] 10. The Chair may request additional information and documents from the licensee or the operator, as applicable, or the licensee’s or operator’s independent accountant, through the licensee or operator, as applicable, regarding the financial statements or the services performed by the accountant. Failure to submit the requested information or documents is an unsuitable method of operation.

[10.] 11. Upon written request and good cause shown, the Chair may waive one or more of the requirements of this section. If a waiver is granted, the Chair may impose alternative requirements.

Estimated Economic Impact on Licensees, Persons, or the GCB
<u>Adverse or Beneficial:</u>

The proposed amendment will positively impact licensees by reducing the burden of requesting waivers to submit financial statements for a stub period.

Positive or Negative Economic Impact:

The GCB estimates a positive economic impact on licensees as they will no longer be required to submit a waiver for a stub period.

Cost Savings to the GCB:

Removing processing waivers of the regulation will allow the GCB to reallocate staff to work on other critical auditing duties.

**PROPOSED AMENDMENT OF NEVADA GAMING COMMISSION (NGC) REGULATION
6.090(11)**

PURPOSE STATEMENT:

To amend NGC Regulation 6.090(11) regarding the requirements that licensees annually report any amendments to their procedures and written system, not reported pursuant to NGC Regulation 6.090(10), that have been made since the previous annual report and expand those eligible to sign the amendments.

Clear Explanation of Why Amendment Should Occur:

Licensees are currently allowed to submit only the amended page(s) of their internal control system, rather than a complete copy with the amendments. Removing and inserting the amendment page(s) is difficult since the information is shared and stored electronically. Therefore, the Gaming Control Board (GCB) prefers the submission of the full system. Additionally, current regulation requires a written description of the amendments signed by the licensee's chief financial officer (CFO). Since not all licensees employ a CFO, it will clarify that amendments may be signed by the licensee's CFO or an equivalent position.

RECOMMENDED CHANGES:

Matter in *blue italics* is new language and matter in **[red and bracketed]** is material to be omitted.

ACCOUNTING REGULATIONS

6.090 Internal control for Group I licensees.

11. Each licensee shall annually report any amendments to the licensee's procedures and written system, not reported pursuant to Regulation 6.090(10), that have been made since the previous annual report. The report must include **[either]** a copy of the written system as amended **[or a copy of each amended page of the written system,]** and a written description of the amendments signed by the licensee's chief financial officer *or comparable position*.

Estimated Economic Impact on Licensees, Persons, or the GCB

Adverse or Beneficial:

The impact of this amendment is neutral to licensees as it only clarifies the existing regulation and does not add any new requirements or fees. It may increase the burden on licensees to submit a full system instead of an amended page, but this is a minor impact as it is standard practice for electronic systems.

Positive or Negative Economic Impact:

The GCB estimates a slightly positive economic impact on licensees since it reduces the burden on licensees who do not have a CFO, as it allows for an equivalent position to sign amendments.

Cost Savings to the GCB:

Slight positive cost savings since it may reduce the time GCB staff spends removing and inserting pages into electronic copies.

PROPOSED AMENDMENT OF NEVADA GAMING COMMISSION (NGC) REGULATION 20.030(7)

PURPOSE STATEMENT:

To amend NGC Regulation 20.030(7) regarding the deadline to submit monthly reports of the amounts wagered at the buyer's or user's establishment of races and events for which a disseminator supplies the buyer or user with horse or other racing information used to determine winners of or payoffs on the wagers.

Clear Explanation of Why Amendment Should Occur:

Correction to reflect the changes made to subsection 3 of *Nevada Revised Statutes* 463.369 by Senate Bill 17 of the 2013 Legislative Session.

RECOMMENDED CHANGES:

Matter in *blue italics* is new language and matter in [red and bracketed] is material to be omitted.

DISSEMINATORS

20.030 Rates and billings; user reports.

7. Each buyer and user shall file monthly with the Board a written report, itemized by track, of the amounts wagered at the buyer's or user's establishment of races and events for which a disseminator supplies the buyer or user with horse or other racing information used to determine winners of or payoffs on the wagers. These reports must separately disclose the amounts wagered and the resultant gross revenue on live broadcast races, pari-mutuel races and non-live broadcast/non-pari-mutuel races. Buyers and users shall file each report with

the Board and users shall furnish a copy of each report to the disseminator not later than the [24th] 15th day of the month after the month covered by the report. If the Board at any time discovers discrepancies between amounts wagered at a buyer's or user's establishment and amounts charged or paid for disseminator services, the Board may so inform the buyer or user and disseminator. Each buyer and user shall permit its disseminator to examine such records of the buyer or user as are necessary to verify the accuracy of the buyer's or user's monthly reports. It shall be an unsuitable method of operation for any disseminator, except with the prior written approval of the Chair, to disclose to any person the contents of any report received or record examined pursuant to this subsection.

Estimated Economic Impact on Licensees, Persons, or the Gaming Control Board (GCB)

Adverse or Beneficial:

The GCB estimates a neutral economic impact since these reports are already submitted on the 15th day of the month.

Positive or Negative Economic Impact:

Neutral.

Cost Savings to the GCB:

Neutral.

**PROPOSED AMENDMENT OF NEVADA GAMING COMMISSION (NGC) REGULATION
20.070(1)**

PURPOSE STATEMENT:

To amend NGC Regulation 20.070(1) to eliminate the requirement for reviewed financial statements covering the period since the previously submitted financial statements in the event of license terminations; to allow licensees to submit one copy of reviewed financial statements instead of two copies; to allow licenses to submit financial statements for a stub period in conjunction with the financial statements for the first full business year, not later than 120 days after the end of the first full business year.

Clear Explanation of Why Amendment Should Occur:

The financial statements submitted after a license termination are not reviewed by the Gaming Control Board (GCB) in time to complete the final audit. As a result, the GCB regularly grants waivers for this requirement. Since financial statements are submitted electronically, licensees only need to submit one

copy. Allowing licensees to combine the stub period financial statements with the first full business year financial statements will reduce the burden on licensees and the GCB.

RECOMMENDED CHANGES:

Matter in *blue italics* is new language and matter in [red and bracketed] is material to be omitted.

DISSEMINATORS

20.070 Reviewed financial statements.

1. Each disseminator shall prepare financial statements covering all financial activities of the disseminator's establishment for each business year. The financial statements must be submitted to the Board [in duplicate] not later than 120 days after the last day of the disseminator's business year. In the event of a [license termination,] change in business entity, or a change in the percentage of ownership of more than 20 percent, the licensee or former licensee shall, not later than 120 days after the event, submit to the Board [2 copies] *one copy* of reviewed financial statements covering the period since the period covered by the previous statement. If a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent occurs within 120 days after the end of the business year for which a statement has not been submitted, the licensee may submit statements covering both the business year and the final period of business. *When a new license is granted within 120 days prior to the end of the business year, the licensee may submit financial statements for this period in conjunction with the financial statements for the first full business year, not later than 120 days after the end of the first full business year.*

Estimated Economic Impact on Licensees, Persons, or the GCB

Adverse or Beneficial:

The GCB estimates that the proposed changes will have a beneficial economic impact. It will eliminate the need for waivers, reduce the number of copies required, and allow licensees to combine their stub and full business year financial statements.

Positive or Negative Economic Impact:

The proposed changes will have a positive economic impact on licensees, as they will no longer need to submit waiver requests and will experience a reduced overall burden.

Cost Savings to the GCB:

Removing processing waivers of the regulation will allow the GCB to reallocate staff to work on other critical auditing duties.

PROPOSED AMENDMENT OF NEVADA GAMING COMMISSION (NGC) REGULATION
23.040(3)

PURPOSE STATEMENT:

To amend NGC Regulation 23.040(3) to allow licensees to utilize the casino cage in lieu of a card room bank without written approval.

Clear Explanation of Why Amendment Should Occur:

The Gaming Control Board (GCB) regularly grants approval for this requirement. Allowing licensees to use the casino cage instead of a card room bank without requiring written approval will reduce the burden on licensees and the GCB.

RECOMMENDED CHANGES:

Matter in *blue italics* is new language and matter in [red and bracketed] is material to be omitted.

CARD GAMES

23.040 Accounting for transactions between card table bank and card room bank.

3. [Upon written Board approval, those] *Any* licensee[s] wishing to utilize the casino cage in lieu of a card room bank may do so provided that the same procedures as set forth in NGC Regulations 23.040, 23.045, 23.065, and related provisions thereto, shall be followed by the casino cage for such transactions.

Estimated Economic Impact on Licensees, Persons, or the GCB

Adverse or Beneficial:

The GCB estimates that the proposed change will have a beneficial economic impact since it will eliminate the need for written approvals.

Positive or Negative Economic Impact:

The proposed change will have a positive economic impact on licensees, as they will no longer need to submit written requests for GCB approval.

Cost Savings to the GCB:

The proposed changes will result in positive cost savings since the GCB staff will no longer need to process the written requests.

PROPOSED AMENDMENT OF NEVADA GAMING COMMISSION (NGC) REGULATION
26.060

PURPOSE STATEMENT:

To amend NGC Regulation 26.060(1) to update the correct commission percentage of 18 percent as reflected in subsection 1 of *Nevada Revised Statutes* (NRS) 464.040; to amend NGC Regulation 26.060(2) to update the correct tax percentage of 3 percent that licensees pay on the total commission deducted on all pari-mutuel wagers as reflected in subsection 3 of NRS 464.040.

Clear Explanation of Why Amendment Should Occur:

Amending NGC Regulation 26.060(1) to reflect the commission percentage allowed under NRS 464.040(1) is a necessary correction. Similarly, amending NGC Regulation 26.060(2) to reflect the tax percentage allowed under NRS 464.040(3) is also a correction.

RECOMMENDED CHANGES:

Matter in *blue italics* is new language and matter in [red and bracketed] is material to be omitted.

PARI-MUTUEL WAGERING

26.060 Commissions and taxes.

1. The licensee shall be entitled to deduct from a gross pool a commission not to exceed [13] 18 percent of the pool.
2. From the commission deducted, the licensee shall pay to the Nevada Gaming Commission a tax equal to [2] 3 percent of the sum of all pari-mutuel wagers. The tax due shall not be reduced by minus pools of otherwise.

Estimated Economic Impact on Licensees, Persons, or the Gaming Control Board (GCB)

Adverse or Beneficial:

The GCB estimates that the proposed changes will have a neutral economic impact since licensees are already entitled to deduct an 18 percent commission and have been paying a 3 percent tax rate.

Positive or Negative Economic Impact:

Neutral

Cost Savings to the GCB:

Neutral